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Bush Tax Plan Passes House *Cuts Are too Small*

Washington, D.C. On Thursday, the House of Representatives voted 230 -198 for President Bush's tax relief plan (HR 3). Representative Ron Paul voted for the tax cuts, but expressed disappointment that they don't go far enough in reducing the tax burden on working families in America. "The Bush proposal, though far too modest in my view, is very straightforward," said Paul. "The plan simplifies and lowers all marginal rates. Every taxpayer, regardless of income, will pay taxes at a lower rate than before under the plan. This tax cut that is a so-called 'cost' to the government is of direct benefit to taxpayers. However, the cut could have been much greater if the politicians and bureaucrats in Washington would curtail their appetites for more government programs and spending measures. " The tax cuts will be completely phased in over a 10 year period. Only the new 12% tax bracket will be retroactive to the first of this year. Earlier in the week, Paul cosponsored the Flake-Pence amendment which would have made all of the tax brackets retroactive to the beginning of this year. Unfortunately, the amendment never made it to the House floor for a vote. Paul said, "The Flake-Pence amendment would have provided more immediate relief to all taxpayers. The bill that passed through the House today will provide the lowest tax bracket with a meager tax cut this year (\$360 for joint filers; \$180 for individuals), while all other tax brackets will see no relief in 2001." "I am encouraged that we are making efforts to reduce the overwhelming tax burden on American families, but this tax cut simply does not go far enough," Paul concluded. "We do not need to only cut tax rates. We must also work to eliminate all capital gains and estate taxes. The ultimate solution, of course, is to end the onerous federal income tax so that families can afford to give their children a good education, seniors can afford to pay for their prescription drug costs, and all citizens can have the opportunity to realize the American dream."

